

## **Tempe Budget Community Forum**

Feb. 22, 2010, at 6 p.m.

Escalante Community Center

The following is a recap of questions asked and answers given during the third of four community forums held in February 2010 regarding the 2010-11 city budget balancing effort. Answers were provided by City Manager Charlie Meyer unless otherwise noted.

### **Question 1: What percentage of a sales tax increase would completely cover the amount of the city's deficit?**

**A:** An eight-tenths of a percent sales tax increase would give you about \$32 million per year according to the figures the city is using today. The City Council had a discussion about whether raising the sales tax would reduce sales in the city. My opinion is the state relies too much on sales tax. We have no other options – it is 70 percent of our budget. A more well-balanced revenue system would be better. Most of our \$33.7 million deficit will be fixed through budget cuts. We have no other real revenue options except to raise the sales tax.

### **Q2: Are you talking only about the General Fund or everything?**

**A:** Yes, the \$33.7 million deficit is in the General Fund.

### **Q3: What is the role of the city's low property tax rate, how does Tempe compare and how does it fund us?**

**A:** There is primary and secondary property tax. The primary is capped by statute and it equates to 8 percent of our operating fund. The secondary tax is to pay off bonds used to fund voter-authorized capital projects. It cannot be used for operations. We could add a new fire station, for example, but may not have the money to operate it. A more ideal mix is one-third property tax, one-third sales and income tax, and one-third “all other” including fees, fines and penalties.

### **Q4: People have submitted comments about Tempe being top-heavy. In today's budget, what percent is allocated to administration and will it change?**

**A:** Feedback from the City Council and employee groups at the start of this process urged a reduction in the city's administrative level. We divide our budget by departments and there is some management in each so it is difficult to give you a citywide percentage. Some middle managers are out there providing direct services and managing, and other managers only manage. The consolidation plan eliminates administrative positions equating to about \$2 million in savings. The Target Reduction Results Team, which figured out the departments' target cuts, built their recommendations in part on the ratio of supervisory to non-supervisory positions and penalized those with lower ratios. We looked at ourselves in comparison with seven other cities. We are reducing management.

### **Q5: How will the Police and Fire cuts affect the city's insurance liability and prevent against lawsuits? If you close two fire stations, how will that affect liability?**

**A:** If we cut back on services and it is a decision of the elected body, they have a degree of legislative immunity. They have the authority to decide what we can afford. If

someone makes a claim that they would have been saved if not for increased response times, we would have some immunity. Having less public safety resources available doesn't immediately increase your liability.

A national insurance service rates our Fire Department, which helps set commercial and residential insurance rates in the area. We were just evaluated and looked at positively. If we do reduce, they may revise their opinion. We haven't proposed closing two fire stations – the proposal is to close two fire companies at our stations.

**Q6: Layoffs are being considered for the first time. There have been comments about Police and Fire perks not available to other employees. In other cities, Police and Fire have agreed to pay decreases.**

**A:** There are clearly differences between Police and Fire employees and other employees with regard to benefits. The most significant difference is in the retirement systems. Upon retirement, a public safety employee may not be able to provide the same physical level of service, so they are allowed to retire sooner. In Police and Fire, there is also special assignment pay if you are part of a hazardous materials team or serve an investigative function, for example. There is also retention incentive pay to recognize the longevity of those who are topped out in their salary range and cannot get annual increases. This is how we prevent people from leaving us.

In Phoenix, they have a tentative agreement with public safety employees to do a 3.25 percent pay cut. In one or both of those employee unions, employees received an increase of more than 8 percent in the midst of the recession. Phoenix contracts are up at the end of June so the city can negotiate for renewal. Mesa did an across-the-board 2 percent cut but they have no employee groups. Tempe has four employee groups: the Tempe Officers Association, SEIU, TSA and Fire. Three of the four contracts are not up for renewal. In 2009-10, our groups negotiated pay freezes. They chose to do that for three years. All employee groups can propose any reductions. We are trying to reach a goal set by Council for \$5 million in pay and benefit decreases. In the absence of groups coming forward, we have to do furloughs. That \$5 million in savings will go to restoring jobs.

**Q7: How were the reduction priorities decided?**

**A:** Goals were provided to each department for how much to cut. Department heads then met the targets with specific items in priority order. Next, I retained much of the department managers' priorities but had to mix them all together to reach 212. At the bottom of the list, there are many Police positions. At the top of the list are also some hard decisions. The third step was to give all of this information to the City Council and get their priorities. The fourth step is the input of the community to the City Council.

**Q8: When you eliminate positions, someone has to cover those responsibilities. Will you use overtime?**

**A:** There will be times we have to cover with overtime. If there is a major event or fire, we will staff as necessary to deal with the emergency. Then we will need to make other decisions about when to pass on using overtime to fill in.

**Q8: Are there independent audits done for the city?**

**A:** Yes, there are accounting audits done of our financial statements. Also, the Audit Department looks at all sorts of aspects of our operations to ensure financial controls and efficiency.

**Q9: In the late 1990s, there were lots of patrol vacancies. We noticed that in our neighborhood. If these cuts are made, how would that compare to then?**

**A:** (Police Chief Tom Ryff) All of the sworn cuts on the list would take us back to 1995. When we have vacancies it takes one year from application to graduation. We had a hard time keeping up with filling vacancies. Back then, we asked for approval to overhire by seven positions over the authorized staffing level so we would always then have people in queue to backfill. By eliminating those overhires, we'll be back to that situation.

(City Manager Charlie Meyer) It does not make sense to keep overhires but cut officers.

(Ryff) Back in the 1990s, the Police Chief used salary savings from vacancies to augment other areas of the department. We've since decided not to keep vacancies and to fully hire.

**Q10: Are the Police and Fire departments overstaffed or understaffed compared to other cities?**

**A:** (Police Chief Tom Ryff) The typical ratio of officers-to-residents is one officer for every 1,000 residents, but this varies. Right now we are adequately staffed to take care of our community and crime is going down. Tempe is unique because we experience significant increases in population during the day and at night. That's why we look at the idea of our "service population," not solely the actual number of residents. We have more than 3,000 special events a year. We have Arizona State University. The workload of a Tempe officer is busier than other departments. We have more traffic and criminal investigations per officer. That adequate staffing will be compromised with these cuts.

(Fire Chief Cliff Jones) Today we are right where the Fire Department feels we need to be. We are involved in a system of fire protection in the Valley called automatic aid. It's unique in the country in how comprehensive and effective it is. If Tempe stood on its own, we would need 10 fire stations. Today we have six stations. The fire companies proposed for elimination are in Level 3 and Level 5 of the budget plan. *(Jones showed a color chart of 2008 and 2009 response times via overhead projector.)* You can see the positive effect of the extra company listed in Level 3 by comparing our response times citywide in 2008 and 2009. This fire company was added temporarily at Fire Station #1 on Apache Boulevard. It would have moved to the future Station #7 eventually. That one company doesn't just improve response times and service in the immediate area – it improves it throughout the city. Mesa and Chandler provide more responses to us than we do for them.

**Q11: Are the Mesa and Chandler fire departments being cut? Is there an automatic aid system for the Police Department?**

**A:** (Fire Chief Cliff Jones) Mesa has adaptive response companies doing experimental work in being deployed but it's in flux. Chandler is not cutting. We are meeting regularly to assess impacts to the automatic aid system.

(Police Chief Tom Ryff) Each department has its own dispatch center. Our Police Department averages 100,000 calls each year and 50,000 calls initiated by our officers. Our calls for service are higher in the Police Department than in the Fire Department. Agencies do help each other. We have done a lot of work in the Police Department in partnering with other agencies. This means that we get help from them at special events, for example, We also bring in uniformed officers from other agencies to help with things.

**Q12: I am a member of the Tempe Community Council (TCC) board of directors. Cut No. 113 in the plan applies to human service agencies. TCC was asked to cut 16 percent but they cut 17 percent. They tried to minimize cuts to human services. No. 113 is pretty high up in the plan. It will impact food banks, senior meals and the people most in need and those without a voice. Cutting vehicle allowances is lower on this plan than cut No. 113. How can the City Council reconsider human services as a higher priority?**

**A:** Questions and answers at tonight's forum will be provided to the City Council so they can hear everyone's concerns as they try to get the balance right. Car allowances are now being cut across the board.

**Q13: Most of the cuts are in personnel. Are cuts being made in other areas like street paving? We pave too much and don't do a good job.**

**A:** The 212 cuts are in operations, which is the General Fund. The program you're talking about is done by using federal highway funds or through our Capital Improve Program, not through the General Fund. Our capital program will also reduce because of lower property values and property tax coming in. There will be cuts in those areas too.

**Q14: Tempe has received stimulus funds. How many jobs has that saved?**

**A:** Most of the money we have received is for capital projects. Things like rebuilding a bridge and addressing water utility improvements, for example. An area we hoped for support was in policing. We had hoped to get "COPS" grant funding but did not receive the grant. Mesa and Phoenix got some of that COPS funding but few others did – there was not enough to go around. So far, the ARRA funds have not saved any City of Tempe jobs.

**Q15: Describe the proposed changes to youth sports and services, including how the child/staff ratio will change. We use the Escalante Center frequently.**

**A:** (Interim Community Services Manager Kathy Berzins) The Kid Zone after school enrichment program has a staff-to-child ration of 1:20 and we are keeping that. The Escalante Center gets a lot of use from the community. We have proposed to reduce staff by the equivalent of 1.75 full-time positions between this facility and the North Tempe Multigenerational Center. There may be reductions but we will not close the facilities.

(Parks and Recreation Manager Mark Richwine) We have identified staff reductions but we will try to find community partners to help us provide those services. We will be

going with those agencies' ratios. Tempe YMCA and the Boys & Girls Club, for example, provide sports programs. Some of those may have the capacity to expand their programs.

**Q16: How will the cuts affect parks?**

**A:** Cuts will adversely affect parks maintenance. They took on cuts in 2009-10 too. We won't be able to keep up things as much.

**Q17: There is a proposal to eliminate two park rangers. I don't know what functions they serve. Why are they in Level 3?**

**A:** Rangers work for the Police Department and supplement officers. They are the eyes and ears in the parks. They provide a presence and contribute to the safety of our parks. We also have rangers out on Tempe Town Lake – those will continue. If the proposed cuts go through, we will eliminate all others.

**Q18: There have been more than a couple comments about the Diversity Department. Given the history of Tempe, I hope you are keeping track of those who will be laid off to ensure there is no discrimination in those decisions. I am disappointed in the hostile attitude of some employees to diversity.**

**A:** Last year, we had about 120 position eliminations and most of those people took an early retirement incentive and have left. We are down to two people who haven't been placed somewhere else in the city. Now we are starting all over. Diversity Manager Rosa Inchausti and I have talked about the issues you raise. These cuts are identifying positions, not people. We don't ultimately know yet which people will lose their jobs – it has to be the least senior person in each case. All we can do is treat these employees respectfully.

**Q19: Is there a cost of living salary adjustment in this budget?**

**A:** No, we have not had one since 2008.

**Q20: Would those earning higher pay have to take greater cuts?**

**A:** Typically we would cut on a percentage basis – the same percent for every employee. Department heads have already chosen to cut themselves 8 percent.

**Q21: There is an item to reduce the Police Mounted Unit. Some time ago, I thought the city was going to eliminate that.**

**A:** The City Council made it clear after 2009-10, that they would not support eliminating that unit. So Chief Ryff proposed reducing it. He has proposed minimizing the staff assigned to the unit because use of the mounted patrol is periodic. It is expensive to maintain between large events.

**Q22: Does the Census Bureau want to count students?**

**A:** Yes, that is a change this time – the Census wants to count students where they are residing at the time. The city recognizes students as a significant population we need to capture and has been reaching out primarily to students who live off-campus, who will

get the survey mailed to their households. Students who live on ASU's campus will be counted separately by the Census Bureau so they have been less of a target for the city.

**Q23: The Fire Department and Police Department presence in our neighborhoods has provided outstanding service. Having the cooperation of other federal agencies is essential.**

**A:** We take pride in weaving together specialties to provide tremendous service levels. The proactive work we've done will be reduced. But we will handle it and be there to respond quickly – that is a top priority.